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Letter dated 22 November 2017 from the Chair a.i. of the Governing Council of the United Nations Compensation Commission addressed to the President of the Security Council

On behalf of the Governing Council, I am pleased to provide a report on the results of the fifteenth special session of the Council, which was held on 21 November 2017 to consider options to ensure the resolution of the $4.6 billion that remains to be paid to the Commission's only outstanding claim award. Delegations from the Governments of Iraq and Kuwait were present and addressed the Council.

It is recalled that in view of the extraordinarily difficult security circumstances in Iraq and the unusual budgetary challenges associated with confronting the issue, the Governing Council postponed Iraq's obligation to deposit 5 per cent of the proceeds generated by the export sales of Iraqi petroleum and petroleum products into the United Nations Compensation Fund as from October 2014 and, as a result, no compensation payments towards the outstanding claim award have been made since that time.

At the fifteenth special session, the Governing Council welcomed a proposal that deposits into the Compensation Fund be resumed in 2018, put forward by the Government of Iraq and accepted by the Government of Kuwait. The Council adopted decision 276 (2017), a copy of which is attached,* which provides for 0.5 per cent of oil proceeds to be deposited into the Compensation Fund in 2018, with percentages escalating annually to the end of 2021. Based on oil price and export projections, this would result in payment in full of the outstanding claim award and the conclusion of the Commission's mandate.

The Iraqi proposal also called for the transfer of the functions of the Commission's secretariat to the Security Council secretariat in New York and the lifting of the compensation obligations of the Government of Iraq under Chapter VII of the Charter of the United Nations. In the decision, the Governing Council affirmed that the Commission would remain in place under its current arrangements unless it decided otherwise.

(*Signed*) Heidy **Serry**
Minister Plenipotentiary
Deputy Permanent Representative on behalf of the Governing Council

* Not included in the present document, to be issued under the symbol S/AC.26/Dec.276 (2017).

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